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84TH CONGRESS
1ST SESSION

H. R. 7541

IN THE HOUSE OF REPRESENTATIVES

JULY 21, 1955

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To increase the borrowing power of Commodity Credit Corporation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000".

SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000".

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84TH CONGRESS
1ST SESSION

S. 2604

IN THE SENATE OF THE UNITED STATES

JULY 22, 1955

Mr. ELLENDER (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

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To increase the borrowing power of Commodity Credit Corporation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000".

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To increase the borrowing power of Commodity Credit Corporation.

By Mr. ELLENDER

JULY 22, 1955
Read twice and referred to the Committee on Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 29, 1955
For actions of July 28, 1955
84th-1st, No. 128

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HIGHLIGHTS: Senate passed bill for loans to small reclamation projects. House and Senate committees reported bills to increase CCC borrowing authority by $2 billion. Senate committee voted to report executive pay bill. Senate committee reported bill to permit sale of CCC cotton at market prices and farm credit bill. Both Houses agreed to conference report on mutual security appropriation bill. House Rules Committee cleared sugar and housing bills. House committee reported National Farm-City Week measure. Sen. Flanders recommended donation of wheat to China. Sen. Anderson inserted Asst. Secretary Butz' recent Miss. speech.

SENATE

1. CCC BORROWING POWER. The Agriculture and Forestry Committee reported without amendment S. 2604, to increase the CCC borrowing power from $10 billion to $12 billion (S. Rept. 1200)(p. 10138).

2. CCC COTTON. The Agriculture and Forestry Committee reported with amendment S. 2446, to permit sale of CCC stocks of cotton that are in excess supply for unrestricted use at current market prices (S. Rept. 1199)(p. 10138).

3. FARM CREDIT. The Agriculture and Forestry Committee reported with amendment H. R. 5168, to provide for retirement of the Government capital in certain institutions operating under supervision of FCA, and to increase borrower participation in the management and control of the Federal Farm Credit System (S. Rept. 1201)(p. 10138).

4. PERSONNEL. The Post Office and Civil Service Committee reported with amendment S. 2402, to increase annuities for retired employees (S. Rept. 1176)(p. 10137). During calendar call, the bill was passed over at the request of several Senators (p. 10198).

The Post Office and Civil Service Committee ordered reported (amended) S. 2628, to increase the pay of department heads and other major Federal officials (p. D804).

5. LEGISLATIVE APPROPRIATION BILL, 1956. The Appropriations Committee reported with amendments this bill, H. R. 7117, which includes items for GPO and the Library of Congress (S. Rept. 1181)(p. 10158).

6. ACCOUNTING. The Government Operations Committee reported without amendment H. R. 7034, which authorizes the Comptroller General to relieve a disbursing officer of accountability under certain circumstances (S. Rept. 1185), and H. R. 7035, to authorize the Comptroller General to reimburse funds to disbursing officers under certain conditions (S. Rept. 1186)(p. 10138). See Digest 115 for provisions of these bills.

7. EXTENSION WORK. The Government Operations Committee reported without amendment H. J. Res. 276, to authorize the Texas Hill Country Development Foundation to convey certain land to Kerr County, Tex. (S. Rept. 1187)(p. 10138).

8. FEES AND CHARGES. The Government Operations Committee reported with amendment S. Res. 140, relative to the establishment of uniform fees and charges by Government agencies for work or other things of value performed by them (S. Rept. 1184)(p. 10138).

9. TEXTILES. The Interstate and Foreign Commerce Committee reported without amendment S. 1455, to amend the Flammable Fabrics Act to exempt scarves which do not represent an unusual hazard (S. Rept. 1204)(p. 10138).

10. RICE ALLOTMENTS. The Agriculture and Forestry Committee reported with amendment S. 2511, to provide that no rice national acreage allotment shall be established which is less than 75% of the final allotment established for the immediately preceding year (S. Rept. 1218)(p. 10138).

11. PROPERTY. The Government Operations Committee reported with amendments S. 2591 to amend Sec. 602 of the Federal Property and Administrative Services Act with respect to utilization and disposal of excess and surplus property under the control of the executive agencies (S. Rept. 1183)(p. 10138).

12. RECORDS MANAGEMENT. The Government Operations Committee reported without amendment S. 2364, to amend the Federal Property and Administrative Services Act so as to give GSA additional control over records-management work of the executive departments and agencies (S. Rept. 1182)(p. 10138).

13. MINIMUM WAGE. Sen. Goldwater suggested that State enactment of minimum wage regulations would avoid the imposition of Federal control in this matter (pp. 10205-6).

Calendar No. 1215

84TH CONGRESS
1st Session

SENATE

REPORT
No. 1200

BORROWING POWER OF THE COMMODITY CREDIT CORPORATION

JULY 28, 1955.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 2604]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2604) to increase the borrowing power of the Commodity Credit Corporation, having considered the same, report thereon with the recommendation that it do pass without amendment.

The bill increases the borrowing power of the Commodity Credit Corporation to $12 billion. On June 15, 1955, the Department of Agriculture advised the committee that it might be necessary to request additional borrowing authority depending upon the outcome of this year's crop. Following the crop report as of July 1, the Department requested enactment of S. 2604 under date of July 20. Officials of the Department and the Corporation appeared before the committee to corroborate the need for this increase in borrowing power. This increase is necessary to enable the Corporation to carry out existing commitments for price support on 1955 crops and cover the investment of the Government resulting from 1954 and prior-crop operations.

Current estimates made by the Department after release of the July crop report on July 11, 1955, indicate that the present borrowing power of the Corporation will be exceeded in November 1955 and that the peak use of borrowing power in the fiscal year 1956 will occur in February and amount to between $11.1 and $12.6 billion. The high side of this range is based on assumption of record yields, record quantities placed under price support and considerably reduced proceeds from repayments and sales. Since it is considered unlikely that all of these circumstances will occur, the Department recommended an increase to $12 billion. Your committee agrees with this recommendation, recognizing the impossibility of predicting future commitments with any degree of accuracy because of the many uncontrollable and unpredictable factors; such as weather, price movements, and exports, which are involved.

The Department estimated that as of June 30, 1955, the Commodity Credit Corporation had in use $8 billion of its authorized borrowing power. This amount was $2.5 billion larger than the borrowing power in use on June 30, a year earlier. The amount of borrowing power in use as of June 30, 1955, of course, does not yet reflect the movement of 1955 crops under the price-support program. The amount and timing of the price-support loans and purchases of 1955 crops, less proceeds received from repayments of loans and sales of inventories, are the major factors which determine when and how much borrowing power will be required.

The Government has committed itself to provide price support for agricultural commodities under the terms and conditions laid down in specific legislation enacted by the Congress. Accordingly, it is necessary to provide the Commodity Credit Corporation sufficient borrowing power to enable it to carry out these commitments. Your committee recommends, therefore, that the Corporation's borrowing power be increased at this time to $12 billion.

The letters from the Department of Agriculture dated June 15 and June 20, 1955, are attached below. Also attached as a part of this report is a table showing the estimates of borrowing power in use by months in the fiscal year 1955, and a table showing the summary of changes in statutory borrowing authority in use for the 1955 and 1956 fiscal years.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 15, 1955.

Hon. ALLEN J. ELLENDER, Sr.,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: On the basis of the economic assumptions as set forth in the 1956 budget estimate for the Commodity Credit Corporation, and the resultant estimated volume of price support and related activities, the Department has recently prepared a monthly projection of the use of the borrowing authority of the CCC through June 30, 1956.

These projections are reflected in the attached statement showing the status of the Corporation's borrowing authorization at the end of each month of the fiscal years 1955 and 1956. The statement also sets forth the specific assumed economic factors upon which the budget estimates were predicated. It will be noted that the estimates indicate that the present borrowing power of $10 billion will be exceeded in December 1955 and that a peak of $10.8 billion in obligations will occur in February 1956—$600 million more than the Corporation's borrowing authority.

Since the estimates are based upon a number of factors such as market prices, weather, exports and economic conditions generally, each of which is variable as well as unpredictable, they must be regarded as highly tentative and subject to widely fluctuating changes. There are several specific aspects of their composition which should be fully recognized, particularly with respect to the fiscal year 1956.

(1) The bulk of the 1955 crops have not been harvested and the estimated production from these crops is predicated upon yields per acre in line with recent averages. With acreage controls in effect for several major crops, conditions are conducive to producers obtaining abnormal and even record yields per acre. Such excess production would tend to enter price support and increase the use of the Corporation's borrowing authority accordingly.

(2) As indicated in the attached statement, these estimates assume increased exports and a continued stable general price level and economic conditions. Any departure from these relatively favorable conditions to more unfavorable economic activity would immediately reflect itself in the agricultural economy and result in increased quantities of commodities being placed under price support and smaller dispositions from inventories of the Corporation.

(3) The estimates assume the continuance of existing legislation. A number of the pending legislative proposals have a direct influence upon the use of the

borrowing authority of the Corporation. For example, it has been estimated that the enactment of H. R. 12, to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities, would increase the use of the Corporation's borrowing authority by nearly $247 million.

Therefore, it is believed that these estimates represent conservative rather than liberal projections of the volume of price support activity. It will be recalled that last July when Congress was considering the proposed increase in the borrowing authority of the Corporation from $8.5 to $10 billion, there were two types of estimates prepared reflecting the estimated use of borrowing authority through June 30, 1955, based on the July 9, 1954, crop report. The first type, based upon normal conditions, similar to these supporting the attached statement, indicated the estimated peak use of borrowing authority to be $8.4 billion. This was expected to occur in January and February 1955. The second type, based upon conditions which would result in greater use of borrowing power, including situations such as those described in (1) and (2) above, indicated an estimated peak use of borrowing authority of $9.8 billion. The Department has not yet made estimates for the fiscal year 1956 similar to the second type prepared last year for 1955, but it may be assumed that the margin of difference in 1956 between the two types of estimates would remain approximately the same.

Although there were instances of record production, record yields per acre, and record quantities placed under support with respect to certain of the 1954 crops, the general agricultural situation which materialized must be regarded as falling more nearly within the assumptions described under the first type of estimates. Against the peak use of borrowing authority of $8.4 billion estimated last year to occur in January and February 1955, actual borrowing authority in use as of January 31, 1955, and February 28, 1955, was $8.2 billion and $8.4 billion, respectively. Comparing the estimates made last summer with certain actual operations through February 28, 1955, loans made were overestimated by $390 million, loan repayments were overestimated by $325 million, and sales were underestimated by $230 million. Other types of estimated obligations and receipts were also at variance with actual operations. The net result, however, of the combination of under- and over-estimating was quite close to the original projection.

Of more significance, however, is the radical departure of actual circumstances as of March 31 and current estimates from the previous estimates for March 31, 1955, and the balance of this fiscal year.

Actual borrowing authority in use as of March 31, 1955, was $8.5 billion compared with previous estimates of $8.1 billion. In addition, we had formerly estimated a decline of about $200 million in borrowing authority in use during the period March 31 through June 30, 1955, and it is now estimated that borrowing power in use will increase by about $200 million during this period—a further increase of approximately $400 million. Most of these changes are accounted for by the fact that repayments of wheat and cotton loans and sales of wheat are not expected to materialize to the extent previously anticipated.

Current estimates for the fiscal year 1956 are that from a June 30, 1955, level of $8.7 billion, obligations will reach a peak of $10.6 billion in February 1956, and taper off to $9.9 billion by June 30, 1956. The estimated increase of $1.9 billion between June 30, 1955, and February 29, 1956, and the decrease of $.7 billion between February 29 and June 30, 1956 are anticipated to consist of:

[Millions of dollars]

Activity	Increase June 30, 1955–Feb. 29, 1956	Decrease Feb. 29, 1956–June 30, 1956
Obligations:		
Loans made	$1,951	$239
Purchases	250	150
Carrying charges	248	266
Other	783	390
Total obligations	3,232	1,045
Receipts:		
Loan repayments	342	609
Sales	779	1,062
Other	230	30
Total receipts	1,351	1,701
Net increase or decrease	1,881	656

During the course of the hearings last year, it was stated that it was the belief of representatives of this Department that a borrowing power of $10 billion would enable the Corporation to complete 1954 crop operations and operate until 1955 crops started to move in the next year. Under normal conditions, and using the assumptions upon which the 1956 budget estimates were predicated, it appears that the $10 billion borrowing authority will be insufficient for the 1955 crops by approximately $600 million. Under the more favorable assumptions referred to above, the borrowing authority would be insufficient by approximately $2 billion.

The report of the Department released March 18, 1955, reflecting prospective plantings for 1955 in the overall, contains no estimates which would greatly change the estimates of crop production upon which the 1956 budget estimates were predicated. Here again, however, estimated production is based upon recent average yields per planted acre. The crop production report for June 1955 indicated further revision in the estimated production from the 1955 crop of wheat and contained the first estimate of the production of rye on the basis of current conditions. The comparison of these latest estimates of production with the production upon which the budget estimates were predicated is remarkably close, as shown below:

Commodity	Budget estimate	June crop report
Wheat.....bushels..	850,000,000	845,000,000
Rye.....do....	26,000,000	25,800,000

The crop production report for July will contain more reliable information regarding production from the 1955 crops. At that time the Department will be in a better position to appraise the potential use of the Corporation's borrowing authority and the amount of the increase needed. We are hopeful that our proposal for legislative action can be deferred until mid-July.

An important factor in the availability of borrowing power over the period through June 30, 1956, is the amount of losses sustained by the Corporation. It now appears that realized losses of the Corporation may aggregate $1 billion during the fiscal year 1955. Other reimbursable expenses of the Corporation incurred during the fiscal year 1955 for such programs as the International Wheat Agreement and dispositions under the Agricultural Trade Development and Assistance Act may total another $0.5 billion. Restoration of the capital impairment and reimbursement of these amounts will be requested in the 1957 budget, but borrowing authority would not be affected until the funds actually became available to the Corporation, probably in July 1956.

It is not the purpose of this letter to recommend any legislative action with respect to the borrowing authority of the Commodity Credit Corporation at this time. Rather, it is in the nature of a report of current and estimated status of the Corporation's borrowing authority. Your committee may wish to consider how best to deal with the situation that is developing.

If you have need for additional information or questions concerning this subject, we shall be happy to furnish it. We will advise you further, not later than the week following the release of the July 10 crop report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

Attachment.

Commodity Credit Corporation—Status of statutory borrowing authorization (actual July to March 1955; estimated for remaining months)

[Billions of dollars]

Month	Fiscal year 1955		Fiscal year 1956	
	In use at end of month	Available for new or expanded activities	In use at end of month	Available for new or expanded activities
July	6.182	[1] 2.318	8.585	1.415
August	6.708	[1] 3.292	8.765	1.235
September	6.883	3.117	9.012	.988
October	7.208	2.792	9.336	.664
November	7.545	2.455	9.730	.270
December	7.878	2.122	10.062	−.062
January	8.206	1.794	10.413	−.413
February	8.395	1.605	10.560	−.560
March	8.459	1.541	10.537	−.537
April	8.532	1.468	10.327	−.327
May	8.564	1.436	10.082	−.082
June	8.679	1.321	9.904	.096

[1] Statutory borrowing authorization was increased from $8.5 billion to $10 billion effective Aug. 31, 1954.

NOTE.—The estimates have been prepared on the following assumptions used in the 1956 budget—

(*a*) that employment, production, and national income will rise moderately from the level of the 2d quarter of the calendar year 1954;

(*b*) that prices will change little, on the average, from the present level;

(*c*) that developments in international relations will not be such as to affect Government civilian programs generally;

(*d*) that exports of agricultural products will be higher than at present;

(*e*) that yields will be in line with recent averages; and

(*f*) that acreage allotments and marketing quotas will be in effect for the 1955 crops of peanuts, certain kinds of tobacco, wheat and cotton, and acreage allotments will be in effect for the 1955 crops of corn and rice in accordance with existing legislation.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., July 20, 1955.

The PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: This Department recommends the enactment of legislation to increase the borrowing authority of the Commodity Credit Corporation from $10 billion to $12 billion.

There is attached a copy of a letter dated June 15, 1955, which was addressed to the chairmen of the House Banking and Currency Committee, the Senate Committee on Agriculture and Forestry, and the House Committee on Agriculture, and the Director, Bureau of the Budget, advising them as to the situation at that time with respect to the borrowing authorization of the Commodity Credit Corporation.

In this letter it was indicated that the outlook at that time was for obligations to exceed the Corporation's borrowing power of $10 billion by December 1955, and a peak use of borrowing power of $10.6 billion by February 1956. It was also indicated that a legislative proposal would be made after release of the July crop report made it possible for a reappraisal of the estimates.

The crop report released on July 11 indicated our earlier estimates to be conservative, in view of the fact this report predicts total 1955 crop production to be the second highest of record. Feed grain production will include near record crops of corn and oats, a record barley crop and a potential record crop of sorghums. Although we have not yet formulated complete estimates of the effects of such crop production on the price-support operations of the Commodity Credit Corporation, it is apparent that more borrowing power will be required to complete 1955 crop price-support operations than indicated by our earlier estimates. A rough approximation on the basis that all of the additional production now estimated will be placed under price support makes it apparent that between 1 and 2 billion dollars additional borrowing power will be required.

It is therefore our recommendation that the borrowing power of the Commodity Credit Corporation be increased to $12 billion before the current session of Congress adjourns. A major factor resulting in this request is the cumulative effect of mandatory rigid price supports on 1954 and prior-year crops. The Agricultural Act of 1954 prescribed a gradual transition to a flexible support sys-

tem, but for 1955 crops the degree of flexibility is restricted. Consequently, the new legislation will not greatly affect the use of borrowing power in the fiscal year 1956.

There is attached a draft of a bill embodying the necessary amendments to existing legislation to accomplish an increase in the borrowing authority.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Attachments—2.

Commodity Credit Corporation—Estimates (based on July 11, 1955, crop report), [1] *of borrowing power in use,* [2] *by months, July 1, 1955, through June 30, 1956*

[Billions of dollars]

1955—June	8. 660	1956—January	10. 898
July	8. 613	February	[3] 11. 057
August	8. 862	March	11. 024
September	9. 174	April	10. 787
October	9. 583	May	10. 527
November	10. 050	June	10. 308
December	10. 473		

[1] The estimates have been prepared on the following assumptions used in the 1956 Budget and have been revised to reflect production estimates indicated in the July 11, 1955, crop report:

(*a*) that employment, production, and national income will rise moderately from the level of the second quarter of the calendar year 1954;

(*b*) that prices will change little, on the average, from the present level;

(*c*) that developments in international relations will not be such as to affect Government civilian programs generally;

(*d*) that exports of agricultural products will be higher than at present;

(*e*) that yields will be in line with recent averages; and

(*f*) that acreage allotments and marketing quotas will be in effect for the 1955 crops of peanuts, certain kinds of tobacco, wheat and cotton, and acreage allotments will be in effect for the 1955 crops of corn and rice in accordance with existing legislation.

[2] Actual borrowings plus obligations to purchase loans held by banks.

[3] Assuming record yields, record percentage of crops under price support, and smaller receipts from sales and repayments, it is estimated that $1.550 billion additional borrowing power could be in use as of the peak period, February 29, 1956.

Commodity Credit Corporation—Summary of changes in statutory borrowing authority in use

FISCAL YEAR 1955

1. As of June 30, 1955, it is estimated that the CCC had $8.660 billion of its $10 billion borrowing authority in use, consisting of: (1) Borrowings from the Treasury, $7.608 billion; (2) Loans held by lending agencies, $1.052 billion.

FISCAL YEAR 1956

2. For the fiscal year 1956 it is estimated that statutory obligations will reach a peak of $11.057 billion by February 29, 1956.

	Current estimates (millions of dollars)
A. Obligations:	
(1) Loans made:	
Corn	$431
Cotton	341
Peanuts	28
Rice	57
Tobacco	157
Wheat	666
Barley	93
Oats	48
Grain sorghums	125
All other	244
Total	2, 190

FISCAL YEAR 1956—continued

	Current estimates (millions of dollars)
A. Obligations—Continued	
(2) Purchases:	
Corn	$67
Rice	33
Dairy products	77
Storage facilities and equipment	31
All other	45
Total	253
(3) Carrying charges	251
(4) Other expenses:	
Wheat export	88
International Wheat Agreement	54
Sales for foreign currencies, title I, Public Law 480	555
Emergency assistance to friendly peoples, title II, Public Law 480	85
Interest, administrative and nonadministrative expenses	134
All other	107
Total	1, 023
Total obligations	3, 717
B. Receipts:	
(1) Repayments of loans:	
Cotton	95
Tobacco	80
Wheat	98
All other	91
Total	364
(2) Sales:	
Corn	82
Cotton	33
Rice	59
Wheat	220
Dairy products	29
Wool	15
Soybeans	31
Wheat export	64
All other	193
Total	726
(3) Other receipts:	
Sales for foreign currencies, Title I, Public Law 480	30
International Wheat Agreement	57
Emergency feed program	42
Emergency assistance to Pakistan	69
All other	32
Total	230
Total receipts	1, 320
C. Net increase in statutory obligations	2, 397

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is

enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF MARCH 8, 1938, AS AMENDED

* * * * * * *

SEC. 4. With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding [$10,000,000,000] *$12,000,000,000*. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In any event that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same: *Provided*, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841). The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

* * * * * * *

COMMODITY CREDIT CORPORATION CHARTER ACT

* * * * * * *

SEC. 4. GENERAL POWERS.—The Corporation

* * * * * * *

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate [$10,000,000,000] *$12,000,000,000*. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

* * * * * * *

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Calendar No. 1215

84TH CONGRESS
1ST SESSION

S. 2604

[Report No. 1200]

IN THE SENATE OF THE UNITED STATES

JULY 22, 1955

Mr. ELLENDER (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

JULY 28, 1955

Reported by Mr. ELLENDER, without amendment

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SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000".

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[Report No. 1200]

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JULY 28, 1955

Reported without amendment

July 28, 1955

14. MINERALS. Passed as reported H. R. 100, to permit the mining development and utilization of mineral resources of all public lands withdrawn or reserved for power development (pp. 10193, 10216-7).

15. RECLAMATION; IRRIGATION. Passed with amendments H. R. 5881, to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects. The amendments consisted of inserting the language of S. 2142 for that of the House bill. Senate conferees were appointed. (pp. 10207-15.)

Passed over, at the request of Sen. Bible, H. R. 4663, to authorize the construction of the Trinity River division, Central Valley project (p. 10194).

Passed as reported S. 1818, to limit the amount of land on Federal irrigation projects which may be exchanged under the act of August 13, 1953 (pp. 10194-5).

Sens. Morse and Neuberger inserted various articles and letters supporting the high dam project for the Hells Canyon Dam project (pp. 10206-7, 10221-3).

16. WATER COMPACTS. Passed without amendment H. R. 3587, authorizing the negotiation of compact by Calif. and Ariz. relative to the waters of the Klamath River (p. 10196).

17. FAO. Passed over, at the request of Sen. Ellender, S. J. Res. 97, to increase the limitation on the U. S. contribution to the Food and Agriculture Organization (p. 10196).

18. ROADS. Sen. Kuchel expressed his regret that Congress did not enact a Federal-aid highway construction bill this session.

19. WHEAT. Sen. Flanders suggested dropping bags of wheat on the Chinese mainland to alleviate the famine and influence the approaching diplomatic negotiations (pp. 10152-3).

20. EXPENDITURES. Sen. Payne commended the recent report on Government expenditures prepared by Sen. Byrd (pp. 10145-6).

21. HEALTH. Sen. Wiley inserted reports of the Public Health Service and private groups on the problem of health in the rural areas and efforts made to provide better health services (pp. 10153-6).

22. STRATEGIC MATERIALS. Sen. Malone submitted a report on the accessibility of strategic and critical materials to the United States in time of war and for our expanding economy. The report describes the economic structure of the 24 nations of the Western Hemisphere and the investment climate within those countries (S. Doc. 83)(p. 10183).

23. NOMINATIONS. Confirmed the nomination of Francis Wilcox as Assistant Secretary of State (pp. 10180-2).

24. LEGISLATIVE PROGRAM. The Majority Leader scheduled for consideration Fri., July 29, the following measures: H. R. 6373, to amend the Domestic Minerals Program Extension Act of 1953 (which was made the unfinished business); H. R. 4663, to authorize the construction of the Trinity River division, Central Valley Reclamation project; S. J. Res. 97, to increase U. S. contribution to the FAO; and S. 2402, to amend sec. 8 of the Civil Service Retirement Act of May 29, 1930 (pp. 10221, 10195, 10219).

HOUSE

25. FARM-CITY WEEK. The Judiciary Committee reported with amendment H. J. Res. 317, designating the last week in October of each year as National Farm-City Week (H. Rept. 1551) (p. 10334).

26. CCC. The Banking and Currency Committee reported without amendment H. R. 7541, to increase the borrowing power of the CCC from $10 billion to $12 billion (H. Rept. 1559) (p. 10334).

27. SUGAR. The Rules Committee reported a resolution providing for consideration of H. R. 7030, to amend and extend the Sugar Act of 1948 (p. 10325).

28. HOUSING. The Rules Committee reported a resolution providing for consideration of S. 2126, the housing bill (p. 10322).

29. FOREIGN AID. Both Houses agreed to the conference report on H. R. 7224, the mutual security appropriation bill for 1956, and acted on amendments in disagreement (pp. 10167-73, 10241-2). This bill will now be sent to the President.

30. TRADE AGREEMENTS. Both Houses received a Tariff Commission report on the operation of the trade agreements program, July 1953 to June 1954; to S. Finance and H. Ways and Means Committees (pp. 10137, 10334).

31. MINIMUM WAGE. Received the conference report on S. 2168, to amend the Fair Labor Standards Act of 1938 so as to provide for an increase to $1 in the minimum wage provisions (H. Rept. 1561) (pp. 10320-1).

32. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 3255, to amend the Classification Act of 1949 so as to provide protection for Government officers and employees from loss of basic compensation resulting from reclassification of their positions (H. Rept. 1557) (p. 10334).

33. FARM INCOME. Rep. Deane discussed possibilities for increasing per capita farm income in N. C. and offered suggestions for agricultural development in that State (pp. 10328-32).

34. EMPLOYEE BONDING. Received the conference report on H. R. 4778, to provide for the purchase of bonds to cover officers and employees of the Government (pp. 10322-5). The House conferees included the following in their statement:

"The conference substitute provides, in general, (1) for the mandatory purchase of surety bonds to cover civilian officers and employees and military personnel of each department and independent establishment in the executive branch ... who are required to be bonded by law or by administrative decision, and (2) for the discretionary purchase of surety bonds to cover those officers and employees in the legislative and judicial branches of the Federal Government with respect to whom the appropriate officials of the legislative and judicial branches deem it advisable to require the purchase of surety bonds.

"With respect to the executive branch, the conference substitute provides that the head of each department and independent establishment shall obtain and procure blanket, position schedule, or other types of surety bonds to cover those civilian officers and employees and military personnel of such department or establishment who are required, by law or administrative ruling to be bonded. It is required that such bonds shall be obtained and procured

84TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 1559

INCREASING THE BORROWING POWER OF THE COMMODITY CREDIT CORPORATION

JULY 28, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 7541]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 7541) to increase the borrowing power of the Commodity Credit Corporation, having considered the same report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of the bill is to increase the borrowing authority of the Commodity Credit Corporation from $10 billion to $12 billion in order to enable the Corporation to carry out existing commitments by the Government for price support on 1955 crops.

GENERAL STATEMENT

The Commodity Credit Corporation is a federally chartered Corporation and is the instrumentality through which price support is extended on farm commodities through loans, purchase agreements and purchases, in accordance with existing legislation. The price-support operations constitute the major activity of the Corporation, but it also operates a storage facilities program, a supply and foreign purchase program, and a commodity export program. It also performs other activities authorized by Congress. The President's budget each year describes fully the various programs carried out by the Corporation, all of which are within the framework of laws enacted by the Congress.

The Corporation is managed by a Board of Directors which is appointed by the President and confirmed by the Senate. It is subject

to the general supervision and direction of the Secretary of Agriculture who is, ex officio, a Director and Chairman of the Board.

As required by its Federal charter, the Corporation utilizes private trade facilities, including banks, cooperatives, commercial warehouses, handlers, and others to the maximum extent practicable.

The Corporation's financial resources consist of its authorized capital stock of $100 million, all held by the United States, and its authority to borrow up to $10 billion. With respect to its borrowing power, the Commodity Credit Corporation Charter Act requires—

> * * * The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes or other obligations, evidencing loans made by such agencies under the Corporation's programs (15 U. S. C. 714 b (i)).

The actual amount of borrowing power in use as of May 31, 1955, was as follows:

	Million
Borrowing from U. S. Treasury	$7,356
Loans held by lending agencies:	
Individual loans	268
Certificates of interest	858
Total	1,126
Grand total	8,482

The Department estimated that $8.7 billion of the Commodity Credit Corporation's borrowing power was in use as of June 30, 1955. This amount exceeds the actual borrowing power in use a year earlier by $2.5 billion.

The Commodity Credit Corporation must have sufficient borrowing power to cover both its investment resulting from 1954 and prior crop price-support operations and the additional investment which will result from carrying out existing commitments for price support for 1955 crops. Representatives of the Department testified in hearings before your committee that it was their belief that passage of the bill under consideration, which would increase the borrowing authority of the Corporation from 10 to 12 billion dollars, would provide sufficient borrowing power for 1955 crop operations. They stated that they would recommend a reduction in the authorization as soon as it becomes possible to do so.

The July Crop Report released by the Department on July 11, 1955, indicates record or near-record crops of corn, oats, barley, rye, grain sorghums, and soybeans. A record yield for corn is anticipated. Total 1955 crop production is predicted to be the second highest of record. Your committee should like to point out that these feed grains have, in contrast to the 6 basic commodities, never been subject to 90-percent mandatory price supports. The Secretary of Agriculture has complete discretion as to what level, if any, he will support them. The crops which promise to be in greatest abundance for the 1955 harvest are those in connection with which the Secretary of Agriculture exercised this discretionary authority to lower support levels, most of which he dropped to 70 percent of parity in 1955 from a much higher level in 1954. Nor has the Secretary of Agriculture exercised his authority to impose acreage allotments with respect to these crops. There is, of course, no legislative provision authorizing

producers to utilize marketing quotas for these feed crops and milk and butterfat to keep supplies in reasonable balance with consumer demand as is available in the case of five of the basic commodities.

With $8.7 billion of its borrowing power already in use when 1955 crops started to move to market, and with the heavy 1955-crop production indicated, representatives of the Department testified in hearings before your committee that they estimated the present borrowing power would not be sufficient to conduct operations through November 1955. They stated that their estimates indicated the peak use in the fiscal year 1956 could range between $11.1 billion and $12.6 billion, the latter figure being based on assumptions of record yields on all crops, as large a proportion of each crop placed under price support as has been placed under support in the past and general economic and farm price conditions which would result in only one-half the amount of proceeds from sales and repayments as expected. Since it appears unlikely that all of these assumptions will prove valid for all commodities, the Department has requested borrowing power enough to cover a possible peak use of $12 billion.

A fact which must be faced in considering the level of borrowing power for the Commodity Credit Corporation is that once the support prices have been announced for a crop year, the determination as to how much borrowing power will be required and when it will be used is a result of factors over which the Corporation has no control. Once the support programs have been announced, the Commodity Credit Corporation is in the position of having made an open offer to make loans or purchases at the applicable support price on any eligible quantity of the commodity which may be produced in the crop year. Weather conditions and other factors influencing production, export trends, prices of related commodities, general business conditions, and all other factors affecting market prices are unpredictable and uncontrollable factors which determine how much and when borrowing power will be needed for the new crop operations. Likewise, they are major factors in determining the extent to which the Corporation may be able to reduce its investment resulting from operations in prior years.

The price-support operations of the Corporation are conducted within the framework of legislation enacted by the Congress prescribing the conditions under which the prices of individual commodities shall be supported and the levels of such support. Financial resources must be provided the Corporation to perform the operations required to carry out the policy of the Congress.

During its consideration of this increase in the borrowing power of the Commodity Credit Corporation your committee decided that it would conduct a full investigation into the activities and operations of the Commodity Credit Corporation during the next session of the Congress. In view of the fact that this bill was brought to the attention of the Congress at such a late date in this session it is the opinion of your committee that the Committee on Appropriations should, as it has in the past, require the Commodity Credit Corporation to justify in detail its request for restoration of capital impairment and other costs which it will submit to the Committee on Appropriations during the next session of Congress.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF MARCH 8, 1938, AS AMENDED

* * * * * * *

SEC. 4. With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding [$10,000,000,000] *$12,000,000,000*. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In any event that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same: *Provided*, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841). The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

* * * * * * *

COMMODITY CREDIT CORPORATION CHARTER ACT

* * * * * * *

SEC. 4. General Powers.—The Corporation

* * * * * * *

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate [$10,000,000,000] *$12,000,000,000*. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

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Union Calendar No. 523

84TH CONGRESS
1ST SESSION

H. R. 7541

[Report No. 1559]

IN THE HOUSE OF REPRESENTATIVES

JULY 21, 1955

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

JULY 28, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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A BILL

To increase the borrowing power of Commodity Credit Corporation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000".

SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000".

Union Calendar No. 523

84TH CONGRESS
1ST SESSION

H. R. 7541

[Report No. 1559]

A BILL

To increase the borrowing power of Commodity Credit Corporation.

By Mr. SPENCE

JULY 21, 1955

Referred to the Committee on Banking and Currency

JULY 28, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 1, 1955
For actions of July 29 and 30, 1955
84th-1st, Nos. 129 and 130

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HIGHLIGHTS: Senate passed bills to increase CCC borrowing authority, permit sale of CCC cotton at market prices, authorize relief of accountable officers, and retire Government capital in certain FCA institutions. House passed bills to continue housing program, increase annuities of retired employees, permit ACP payments on certain Federal lands and for water conservation, strengthen Perishable Agricultural Commodities Act, provide penalties for false grade markings, facilitate farm loans, consolidate experiment stations authorizations, authorize increased CEA fees, expand Trade Development Act, authorize additional extension work, extend Defense Production Act, extend sugar program, authorize national forest townsites, authorize fund advances for forest research, amend tobacco and rice allotments-quotas laws, increase pay of major officials, provide retirement credit for certain State service. Both Houses agreed to conference reports on supplemental appropriation bill and bill to purchase employee bonds. House agreed to conference reports on bills to extend Mexican farm labor program, authorize distribution of flour and meal to needy, and authorize study of Alaska water resources. Senate debated measure to increase contributions to FAO. Senate committee reported bill to increase pay of major officials. House committee reported bill to provide loans for central markets. Sen. Johnston objected to cotton exports at reduced prices. Sen. Symington criticized administration of farm program.

SENATE - July 29

1. CCC BORROWING POWER. Passed without amendment S. 2604, to increase the borrowing power of CCC from $10 billion to $12 billion (pp. 10541-3).

2. CCC COTTON. Passed as reported S. 2446, to permit sale of CCC cotton stocks that are in excess supply for unrestricted use at current market prices (p. 10548).

Sen. Johnston read a news item stating that this Department has apparently abandoned for the time being plans to offer U. S. cotton abroad at reduced prices, spoke against such plans, and stated that the Agriculture and Forestry Committee will study this subject during the recess. Sen. Humphrey concurred in Sen. Johnston's statement. (p. 10516.)

3. LEGISLATIVE APPROPRIATION BILL, 1956. Passed with amendments this bill, H. R. 7117, which includes funds for GPO and the Library of Congress (pp. 10349-60). Agreed to an amendment by Sen. Humphrey to add $50,000 for the Commission on Government Security (p. 10353). Sen. Robertson said Congress has made progress toward a balanced budget and inserted a table showing action on the various appropriation bills (pp. 10358-9). Senate and House conferees were appointed (pp. 10360, 10444).

4. BONDING EMPLOYEES. Agreed to the conference report on H. R. 4778, to provide for purchase of bonds to cover Government employees (p. 10386).

5. MINIMUM WAGE. Agreed to the conference report on S. 2168, to increase the minimum wage, under the Fair Labor Standards Act, to $1 per hour, effective Mar. 1, 1956 (pp. 10546-7).

6. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. 2628, to increase the pay of department heads and other major officials (S. Rept. 1257)(p. 10340).

The Committee reported without amendment H. R. 6590, to prohibit employment by the Government of persons who are disloyal or who participate in or assert the right to strike against the Government (S. Rept. 1256)(p. 10340).

7. EDUCATION. The Labor and Public Welfare Committee reported without amendment S. 2670, to provide for continued Federal assistance to local educational agencies affected by Federal activities (S. Rept. 1251)(p. 10341).

8. PROPERTY; TAXATION. The Government Operations Committee reported with amendment S. 2377, to amend the Federal Property and Administrative Services Act to make temporary provision for payments in lieu of taxes with respect to real property transferred by RFC to other Government departments (S. Rept. 1253)(p. 10341).

9. LAW CODIFICATION. Sen. Holland submitted an amendment which he intends to propose to H. R. 6991, to codify and enact U. S. C., title 21, regarding foods, animal diseases, etc. (p. 10343).

10. REORGANIZATION. Sen. Butler commended the Hoover Commission and inserted various articles on this subject (pp. 10345-9).

11. ROADS. Sen. Case, S. Dak., announced his intention of proposing an amendment to H. R. 6417 (a bill on another subject) to increase the Federal-aid road authorization to $575 million in order that the road question may be decided this year under a procedure which "leaves out all side issues" (p. 10468).

12. ELECTRIFICATION. Sen. Neuberger commended the late Sen. McNary's record favoring public power (pp. 10516-18).

in the Commission by the Atomic Energy Act of 1954, as amended, or any other law.

SEC. 112. Qualification to purchase: No officer or employee of the Commission or of any other Federal agency (including officers and members of the Armed Forces) shall be disqualified from purchasing any property or exercising any right or privilege under this act, but no such officer or employee shall make any determination as to his own eligibility or priority, or as to valuation, price, or terms of sale and financing of property sold to him.

SEC. 113. Contract forms: Contracts entered into pursuant to this act and other instruments executed pursuant to this act shall be in such form and contain such provisions, consistent with this act, as the Commission shall prescribe; and shall be as simple and concise as possible. Any mortgage shall contain terms which will place the United States in the same position, with respect to any mortgages it may hold under the provisions of chapter 6, as that occupied by a private lender under the applicable State laws for the relief of mortgagors with respect to deficiency judgments.

SEC. 114. Evidence: A deed, lease, contract, or other instrument executed by or on behalf of the Commission purporting to transfer title or any other interest in property disposed of pursuant to this act shall be conclusive evidence of compliance with the provisions of this act and rules and regulations promulgated thereunder, insofar as concerns title or other interest of any bona fide grantee or transferee for value without notice of lack of such compliance, and his successors in title.

SEC. 115. Administrative review: Determinations authorized by this act to be made by the Commission as to classification, priorities, prices, and terms and conditions of sale of property disposed under this act shall be subject to review only in accordance with such provisions for administrative review or reconsideration as the Commission may prescribe.

SEC. 116. Repossession: The Commission is authorized to repossess any property sold by it in accordance with the terms of any contract to purchase, mortgage or other instrument, and to sell or make any other disposition of any property so repossessed and any property purchased by it pursuant to section 66.

SEC. 117. Net proceeds: The net proceeds derived by the Commission from the disposal of property pursuant to this act, after defraying expenses incident to appraisal, sale or other transfer and any financing under section 62, shall be covered into the Treasury. Annually, upon advice of the Commission, there shall be transferred to miscellaneous receipts of the Treasury such portion of such net proceeds as may no longer be needed to meet the contingent obligations provided for in subsection 118 c.

SEC. 118. Appropriations:

a. There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act.

b. There are authorized to be appropriated the sum of $518,000 at Oak Ridge and the sum of $2,165,000 at Richland for construction, modification, or expansion of municipal installations authorized to be transferred pursuant to chapter 8 of this act.

c. As much as may be necessary of net proceeds from section 117 are hereby appropriated and made available for use by the Commission (without fiscal year limitations) to pay any costs, losses, expenses, or obligations incurred by the Commission in connection with obligations entered into pursuant to section 37 or section 63, with repossession or repurchase, rehabilitation, and further disposition pursuant to sections 63 through 66 and section 116, and with the defense and payment of any claims for breaches of warranties and covenants of title of any property disposed of pursuant to this act.

SEC. 119. Separability of provisions: If any provisions of this act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

AMENDMENT TO NATIONAL HOUSING ACT

SEC. 201. Section 223 (a) of the National Housing Act, as amended, is further amended as follows:

(a) After paragraph (3) thereof there is added the following new paragraph:

"(4) executed in connection with the sale by the Government, or any agency or official thereof, of any housing (including any property acquired, held, or constructed in connection therewith or to serve the inhabitants thereof) pursuant to the Atomic Energy Community Act of 1955, as amended: *Provided*, That such insurance shall be issued without regard to any preferences or priorities except those prescribed by the Atomic Energy Community Act of 1955, as amended; or."

(b) The paragraph numbered (4) is renumbered (5).

(c) The paragraph numbered (5) is renumbered (6) and is revised to read as follows:

"(6) executed in connection with the first resale, within 2 years from the date of its acquisition from the Government, of any portion of a project or property of the character described in paragraph (1), (2), (3), and (4) above; or."

(d) The paragraph numbered (6) is renumbered (7) and the last proviso therein is amended by striking "(4) or (5)" and inserting "(4), (5), or (6)" and by striking "(3), or (5)" and inserting "(3), (4), or (6)."

AMENDMENT TO PUBLIC LAW NO. 874, 81ST CONGRESS

SEC. 202. Section 8 (d) of the act of September 30, 1950 (Public Law No. 874, 81st Cong.), as amended, is further amended by adding, after the words "Indian Affairs," the following: "; or the availability of appropriations for the making of payments directed to be made by section 91 of the Atomic Energy Community Act of 1955, as amended."

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar 1215, Senate bill 2604.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2604) to increase the borrowing power of Commodity Credit Corporation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

LEGISLATIVE PROGRAM

Mr. CLEMENTS. Mr. President, I should like to announce to the Senate, before Senators begin conversing—which I am afraid they may do—that there are four conference reports on the desk. I am hopeful that there will be little if any controversy in connection with them. I should like to suggest that the Senate act tonight on the first one, the conference report on Senate bill 2168, the minimum-wage bill.

However, before that conference report is taken up, I should like to announce to the Senate that it is the intention of the acting majority leader to move, when the Senate completes its work tonight, that it convene at 11 o'clock tomorrow morning.

We are hopeful that we may not encounter very many controversial questions tomorrow before a reasonable number of noncontroversial items can be disposed of.

I note that the Senator from Illinois [Mr. DOUGLAS] is present——

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. LEHMAN. I know that the acting majority leader is entirely within his authority in continuing to bring up bills tonight. I can speak only for myself, as a Member of the Senate.

We were in session late last night. We came here early this morning. All of us had to attend committee meetings before the Senate convened. It is now half past 11 p. m. I know that some very controversial matters will be coming up, notably the conference report on housing and the Patterson nomination. It does not seem to me that it is essential that the Senate finally adjourn tomorrow night. It is very questionable whether the House will get through tomorrow night.

Mr. BENDER. Mr. President, will the Senator yield?

Mr. LEHMAN. Let me finish.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. CLEMENTS. Let me say to my friend from Ohio that when the Senator from New York concludes I will yield to the Senator from Ohio if he desires to ask the Senator from New York a question.

Mr. LEHMAN. The majority leader of the House announced publicly this afternoon that there would be a session of the House on Monday.

I do not think I have shirked my duties in the Senate. I think I am safe in saying that I have been present at every recorded vote that has been taken throughout this session.

It seems to me that the Government and the Nation would be better served if we were to consider matters of grave importance in an orderly fashion, and in such manner that they can receive orderly and intelligent consideration.

I can only appeal to the acting majority leader not to take up very important, controversial legislation at this late hour.

I think it is possible, for example, when the conference report on the minimum wage bill comes before us, that it may lead to controversy. We considered that very important bill only a little while ago.

Mr. CLEMENTS. Mr. President, it is certainly not the intention of the acting majority leader to bring up for consideration, during the remaining minutes

the Senate may be in session tonight, any matters with respect to which there is great controversy.

The bill which has just been disposed of would not have been likely to have been before the Senate tonight, except that the acting majority leader was advised that its consideration would require less than an hour. There were some other matters of unusual importance.

If the minimum wage conference report should require considerable debate, we can take it up at another time.

The Senator from Illinois [Mr. DOUGLAS] is now present, and if he desires to bring it up, we shall then be able to determine whether or not it will require much time tonight.

Mr. LEHMAN. Of course I accept the judgment of the acting majority leader.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (S. 2604) to increase the borrowing power of Commodity Credit Corporation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. AIKEN. Inasmuch as the bill now pending to increase the borrowing power of the Commodity Credit Corporation, is a "must" bill——

Mr. CLEMENTS. It is a Senate bill, and we wish to dispose of it tonight.

Mr. AIKEN. If the United States Government is to discharge its obligations—and I am sure we all want it to do so—would it not be well, if there is no debate on the bill, and no substantial opposition to it, to dispose of it tonight? I do not see how there can be any opposition, if we regard the obligations of our Government as binding. Let us pass the bill tonight, and make the next one, with respect to which there may be more or less debate, the unfinished business for tomorrow.

Mr. CLEMENTS. Mr. President, I am glad to say to my friend from Vermont that it is my opinion that consideration of the conference report on the minimum-wage bill would require a very short time. The sooner we can dispose of it the better off we shall be. The bill which the Senator has in mind, to increase the borrowing power of the Commodity Credit Corporation, would require only a very short time, unless the Senator from Vermont desires to make a lengthy speech on it.

Mr. AIKEN. I do not desire to make any speech. It is "must" legislation.

Mr. DOUGLAS. Mr. President, will the Senator yield for the presentation of a conference report?

Mr. CLEMENTS. It is a privileged matter.

Mr. HOLLAND. Mr. President, I invite the attention of the acting majority leader to the fact that Senate bill 2604, the bill to increase the borrowing power of the Commodity Credit Corporation, is a Senate bill.

Mr. CLEMENTS. That is correct.

Mr. HOLLAND. It has not been acted upon in the House.

Mr. CLEMENTS. That is true. In my judgment it would require less time to pass it than we have already consumed.

Mr. ELLENDER. Mr. President, I have been sitting around since 6 o'clock waiting to take up the pending bill. The bill received the unanimous support of the entire membership of the committee who were present.

It would increase the borrowing power of the Commodity Credit Corporation from $10 billion to $12 billion.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CLEMENTS. Am I correct in understanding that the Senator is presenting a justification for the passage of the bill?

Mr. ELLENDER. The Senator is correct.

Mr. CLEMENTS. How long does the Senator think it would require him to complete his statement?

Mr. ELLENDER. One more minute.

The Department of Agriculture estimated that as of June 30, this year, $8.6 billion of its borrowing authority was in use. It estimates that its current borrowing authority will probably be exceeded in November of this year, and that the peak use of borrowing authority for the fiscal year 1956 will be reached in February, when it is estimated that $11.1 billion of borrowing authority may be used. The Department has also estimated that with record yields, record proportions of crops being supported, and greatly reduced sales of inventories and repayments of loans, $12.6 billion of borrowing authority might be used in February. However, since this assumes the worst, it is not expected that anything like this amount will be needed. Estimates of the use of borrowing authority during fiscal 1956 are set out in the committee report, broken down by month and by commodity. Mr. Morse, the Under Secretary, appeared before the committee and testified in favor of the bill. Sometime earlier, before the bill was introduced, he had written to me under date of June 15, 1955, indicating that the amount necessary on the basis of the facts known at that time would be between $10 billion and $11 billion. However, he pointed out in that letter that a better appraisal of the amount needed could be made after the July crop report had been received. Under date of July 20 another letter was sent, indicating that on the basis of the July report, which predicted the second highest production of record, the amount necessary would be between $11 billion and $12 billion. I ask unanimous consent that both letters be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 15, 1955.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate,

DEAR SENATOR ELLENDER: On the basis of the economic assumptions as set forth in the 1956 budget estimate for the Commodity Credit Corporation, and the resultant estimated volume of price support and related activities, the Department has recently prepared a monthly projection of the use of the borrowing authority of the CCC through June 30, 1956.

These projections are reflected in the attached statement showing the status of the Corporation's borrowing authorization at the end of each month of the fiscal years 1955 and 1956. The statement also sets forth the specific assumed economic factors upon which the budget estimates were predicated. It will be noted that the estimates indicate that the present borrowing power of $10 billion will be exceeded in December 1955 and that a peak of $10.8 billion in obligations will occur in February 1956—$600 million more than the Corporation's borrowing authority.

Since the estimates are based upon a number of factors such as market prices, weather, exports, and economic conditions generally, each of which is variable as well as unpredictable, they must be regarded as highly tentative and subject to widely fluctuating changes. There are several specific aspects of their composition which should be fully recognized, particularly with respect to the fiscal year 1956.

(1) The bulk of the 1955 crops have not been harvested and the estimated production from these crops is predicated upon yields per acre in line with recent averages. With acreage controls in effect for several major crops, conditions are conducive to producers obtaining abnormal and even record yields per acre. Such excess production would tend to enter price support and increase the use of the Corporation's borrowing authority accordingly.

(2) As indicated in the attached statement, these estimates assume increased exports and a continued stable general price level and economic conditions. Any departure from these relatively favorable conditions to more unfavorable economic activity would immediately reflect itself in the agricultural economy and result in increased quantities of commodities being placed under price support and smaller dispositions from inventories of the Corporation.

(3) The estimates assume the continuance of existing legislation. A number of the pending legislative proposals have a direct influence upon the use of the borrowing authority of the Corporation. For example, it has been estimated that the enactment of H. R. 12, to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities, would increase the use of the Corporation's borrowing authority by nearly $247 million.

Therefore, it is believed that these estimates represent conservative rather than liberal projections of the volume of price-support activities. It will be recalled that last July when Congress was considering the proposed increase in the borrowing authority of the Corporation from $8.5 to $10 billion, there where two types of estimates prepared reflecting the estimated use of borrowing authority through June 30, 1955, based on the July 9, 1954, crop report. The first type, based upon normal conditions similar to these supporting the attached statement, indicated the estimated peak use of borrowing authority to be $8.4 billion. This was expected to occur in January and February 1955. The second type, based upon conditions which would result in greater use of borrowing power, including situations such as those described in (1) and (2) above, indicated an estimated peak use of borrowing authority of $9.8 billion. The Department has not yet made estimates for the fiscal year 1956 similar to the second type prepared last year for 1955, but it may be assumed that the margin of difference in 1956 between the two types of estimates would remain approximately the same.

Although there were instances of record production, record yields per acre, and record quantities placed under support with respect

to certain of the 1954 crops, the general agricultural situation which materialized must be regarded as falling more nearly within the assumptions described under the first type of estimates. Against the peak use of borrowing authority of $8.4 billion estimated last year to occur in January and February 1955, actual borrowing authority in use as of January 31, 1955, and February 28, 1955, was $8.2 billion and $8.4 billion, respectively. Comparing the estimates made last summer with certain actual operations through February 28, 1955, loans made were overestimated by $390 million, loan repayments were overestimated by $325 million, and sales were underestimated by $230 million. Other types of estimated obligations and receipts were also at variance with actual operations. The net result, however, of the combination of under- and over-estimating was quite close to the original projection.

Of more significance, however, is the radical departure of actual circumstances as of March 31 and current estimates from the previous estimates for March 31, 1955, and the balance of this fiscal year.

Actual borrowing authority in use as of March 31, 1955, was $8.5 billion compared with previous estimates of $8.1 billion. In addition, we had formerly estimated a decline of about $200 million in borrowing authority in use during the period March 31 through June 30, 1955, and it is now estimated that borrowing power in use will increase by about $200 million during this period—a further increase of approximately $400 million. Most of these changes are accounted for by the fact that repayments of wheat and cotton loans and sales of wheat are not expected to materialize to the extent previously anticipated.

Current estimates for the fiscal year 1956 are that from a June 30, 1955, level of $8.7 billion, obligations will reach a peak of $10.6 billion in February 1956, and taper off to $9.9 billion by June 30, 1956. The estimated increase of $1.9 billion between June 30, 1955, and February 29, 1956, and the decrease of $.7 billion between February 29 and June 30, 1956 are anticipated to consist of:

[Millions of dollars]

Activity	Increase June 30, 1955–Feb. 29, 1956	Decrease Feb. 29, 1956–June 30, 1956
Obligations:		
Loans made	$1,951	$239
Purchases	250	150
Carrying charges	248	266
Other	783	390
Total obligations	3,232	1,045
Receipts:		
Loan repayments	342	609
Sales	779	1,062
Other	230	30
Total receipts	1,351	1,701
Net increase or decrease	1,881	656

During the course of the hearings last year, it was stated that it was the belief of representatives of this Department that a borrowing power of $10 billion would enable the Corporation to complete 1954 crop operations and operate until 1955 crops started to move in the next year. Under normal conditions, and using the assumptions upon which the 1956 budget estimates were predicated, it appears that the $10 billion borrowing authority will be insufficient for the 1955 crops by approximately $600 million. Under the more favorable assumptions referred to above, the borrowing authority would be insufficient by approximately $2 billion.

The report of the Department released March 18, 1955, reflecting prospective plantings for 1955 in the overall, contains no estimates which would greatly change the estimates of crop production upon which the 1956 budget estimates were predicated. Here again, however, estimated production is based upon recent average yields per planted acre. The crop production report for June 1955 indicated further revision in the estimated production from the 1955 crop of wheat and contained the first estimate of the production of rye on the basis of current conditions. The comparison of these latest estimates of production with the production upon which the budget estimates were predicated is remarkably close, as shown below:

Commodity	Budget estimate	June crop report
Wheat.....bushels	850,000,000	845,000,000
Rye.....do	26,000,000	25,800,000

The crop production report for July will contain more reliable information regarding production from the 1955 crops. At that time the Department will be in a better position to appraise the potential use of the Corporation's borrowing authority and the amount of the increase needed. We are hopeful that our proposal for legislative action can be deferred until mid-July.

An important factor in the availability of borrowing power over the period through June 30, 1956, is the amount of losses sustained by the Corporation. It now appears that realized losses of the Corporation may aggregate $1 billion during the fiscal year 1955. Other reimbursable expenses of the Corporation incurred during the fiscal year 1955 for such programs as the International Wheat Agreement and dispositions under the Agricultural Trade Development and Assistance Act may total another $500 million. Restoration of the capital impairment and reimbursement of these amounts will be requested in the 1957 budget, but borrowing authority would not be affected until the funds actually became available to the Corporation, probably in July 1956.

It is not the purpose of this letter to recommend any legislative action with respect to the borrowing authority of the Commodity Credit Corporation at this time. Rather, it is in the nature of a report of current and estimated status of the Corporation's borrowing authority. Your committee may wish to consider how best to deal with the situation that is developing.

If you have need for additional information or questions concerning this subject, we shall be happy to furnish it. We will advise you further, not later than the week following the release of the July 10 crop report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., July 20, 1955.

The PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: This Department recommends the enactment of legislation to increase the borrowing authority of the Commodity Credit Corporation from $10 billion to $12 billion.

There is attached a copy of a letter dated June 15, 1955, which was addressed to the chairmen of the House Banking and Currency Committee, the Senate Committee on Agriculture and Forestry, and the House Committee on Agriculture, and the Director, Bureau of the Budget, advising them as to the situation at that time with respect to the borrowing authorization of the Commodity Credit Corporation.

In this letter it was indicated that the outlook at that time was for obligations to exceed the Corporation's borrowing power of $10 billion by December 1955, and a peak use of borrowing power of $10.6 billion by February 1956. It was also indicated that a legislative proposal would be made after release of the July crop report made it possible for a reappraisal of the estimates.

The crop report released on July 11 indicated our earlier estimates to be conservative, in view of the fact this report predicts total 1955 crop production to be the second highest of record. Feed grain production will include near-record crops of corn and oats, a record barley crop, and a potential record crop of sorghums. Although we have not yet formulated complete estimates of the effects of such crop production on the price-support operations of the Commodity Credit Corporation, it is apparent that more borrowing power will be required to complete 1955 crop price-support operations than indicated by our earlier estimates. A rough approximation on the basis that all of the additional production now estimated will be placed under price support makes it apparent that between one and two billion dollars additional borrowing power will be required.

It is therefore our recommendation that the borrowing power of the Commodity Credit Corporation be increased to $12 billion before the current session of Congress adjourns. A major factor resulting in this request is the cumulative effect of mandatory rigid price supports on 1954 and prior-year crops. The Agricultural Act of 1954 prescribed a gradual transition to a flexible support system, but for 1955 crops the degree of flexibility is restricted. Consequently, the new legislation will not greatly affect the use of borrowing power in the fiscal year 1956.

There is attached a draft of a bill embodying the necessary amendments to existing legislation to accomplish an increase in the borrowing authority.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. ELLENDER. I respectfully refer Members of the Senate to the report, which treats the subject in detail.

Mr. CLEMENTS. I cannot help but think that with the very fine explanation given by the Senator from Louisiana the Senate will concur in his judgment and pass the bill.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered to the bill, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000."

SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000."

REVISION OF THE ELECTION LAW

Mr. HENNINGS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a statement prepared by me, a newspaper article, a letter which I addressed to the Attorney General, and a copy of a letter addressed to the Senator from Rhode Island [Mr. GREEN], by the Attorney General.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENNINGS

Recently I received a letter from an anonymous American. I believe that this letter is sufficiently interesting that the Senate will bear with me while I read it in its entirety. "Senator THOMAS HENNINGS:

"I note from the enclosed news clipping that you have sold the American people down the river to the crooked union chiefs. Undoubtedly you were well paid for the deal.

"Apparently Missouri produces one kind of politician, crooks.

"I hope every dollar you received on the deal as per clipping is a curse to you. And may you also be obliged to join a union to make a living.

"AN AMERICAN."

This anonymous correspondent enclosed with the above letter a column taken from a newspaper which I cannot identify, written by Mr. Victor Riesel. I attach to my statement the article as it appeared in the Birmingham News on July 19. The first two paragraphs of this column are sufficiently important when considered in connection with the above letter to warrant my reading them now.

"Labor leaders have already launched the 1956 campaign—and are prepared to supply almost half the Democrats' political funds in many States.

"For a while it seemed that both the AFL's and CIO's high geared political committees would be put out of business by a new election law. They would not have been able to supply manpower, money or even a campaign poster in the coming presidential election. But the Washington union chiefs got after Missouri's Senator THOMAS HENNINGS, who was handling the bill, and he struck from it all restrictions on labor's participation and spending in national campaigns."

As a general rule I prefer to disregard such ridiculous allegations as this, for I feel that no useful purpose is served by taking the time of the Senate to discuss such a matter. In this case, however, I feel that discussion is justified, not because of the allegation made in this column, but rather because of the fundamental misunderstanding of the truth which the column reveals.

It is true that S. 636 in its original form had a section which concerned the activity of labor unions and other national organizations. It is also true that this section was stricken from the bill when it was reported by the Subcommittee on Privileges and Elections under my chairmanship to the Senate Committee on Rules and Administration. However, it is not true that this section was stricken because union chiefs "got after" me. Rather, the section was stricken from the bill when it was reported by the subcommittee because the Department of Justice had advised the subcommittee that the section was of dubious constitutionality and that it would complicate the work of the Department of Justice. Lest there be a misunderstanding in this regard, I would like to quote some of the conversation which transpired in our hearings.

But first, I might point out that when the subcommittee originally decided to schedule hearings on S. 636 it realized that certain portions of that bill raised questions of constitutionality which had to be considered. Accordingly, on March 18, I, as chairman of the Subcommittee on Privileges and Elections, addressed a letter to Mr. Herbert Brownell, Attorney General of the United States, inviting him to appear before the subcommittee and testify on the bill (S. 636). Twenty-one days passed and I had heard nothing from the Attorney General. On April 8 I wrote to him a second time, again asking him to come and help us. Eighteen additional days passed with no reply. And so on April 26 I wrote to him a third time. In this third letter I said:

"I would like to renew the invitation to you to appear personally before the subcommittee and give us the benefit of your ideas and your experience. As Attorney General of the United States you are responsible for the enforcement of Federal corrupt practices legislation. It is my view that existing legislation is seriously inadequate and I feel that it presents to your Department unnecessary and unwise obstacles to enforcement. Therefore, I believe that your testimony will be virtually indispensable if the subcommittee is to accomplish its duties intelligently."

Let me repeat one sentence from this letter: "I believe that your testimony will be virtually indispensable if the subcommittee is to accomplish its duties intelligently."

Seven days later I received, in reply to my third request, a letter from William P. Rogers, Deputy Attorney General. I would like to read two sentences from that letter. Mr. Rogers said:

"I would like to suggest that Mr. Warren Olney III, Assistant Attorney General in Charge of the Criminal Division, present the views of the Department of Justice to the subcommittee. As you know, he has charge of the enforcement of the present laws relating to Federal elections and is, therefore, in the best position to testify along the lines suggested in your letter."

While I had specifically invited the Attorney General to appear, he apparently had elected to send a subordinate and I was, of course, willing to accept the suggestion that Mr. Olney present the views of the Justice Department, particularly since, according to Mr. Rogers, he was "in the best position" to testify on this matter. Mr. Olney appeared before the subcommittee on May 10, and testified at some length. He was a most helpful and intelligent witness, and I have nothing but praise for him. He testified freely, and openly, and was of great assistance to the subcommittee.

One of the subjects about which Mr. Olney testified was section 304 of the original bill (S. 636), which read as follows:

"(a) Section 610 of title 18 of the United States Code is amended by inserting after the first paragraph thereof the following new paragraph:

"'It is unlawful for any candidate or political committee to make any contribution or expenditure in connection with any Federal election from funds received dirccly or indirectly from a labor union, corporation, or national bank.'

"(a) The existing second paragraph of such section is amended by adding at the end thereof the following: 'Every candidate and every political committee and the Treasurer of every political committee which makes any contribution or expenditure in violation of this section shall be fined not more than $1,000 or imprisoned not more than 1 year, or both, and if the violation was willful, shall be fined not more than $10,000 or imprisoned not more than 2 years, or both.' "

This section was intended to clarify the present status of section 610, title 18 of the code, the so-called Taft-Hartley provision banning political activity by labor unions as such. Mr. Olney testified that at the present time the constitutionality of this provision "is most obscure" as a result of the decision of the Supreme Court in *United States v. C. I. O.* (335 U. S. 106). Mr. Olney was interrogated by the counsel for the subcommitteee on this section of the bill. The following colloquy transpired:

"Mr. DUFFY. Do you believe that it would be better to leave section 610 of Title 18 exactly as it is, or do you think that by allowing it to stand unchanged you would still be confronted with the constitutional problem as stated in the C. I. O. case?

"Mr. OLNEY. Well, if section 304 of S. 636 is enacted, it still will not affect the dilemma and the difficulty that we are faced with because of the C. I. O. decision.

"Mr. DUFFY. It wouldn't help you at all?

"Mr. OLNEY. No; it wouldn't.

"Mr. DUFFY. In fact, it might increase the difficulty; is that true?

"Mr. OLNEY. Yes; simply because it would be a new expression by Congress reaffirming this same statute notwithstanding the CIO decision. I am sure you can imagine the consternation of my predecessors when the Supreme Court disposed of that CIO case by ducking the issue. They just didn't pass on the constitutional point. They expressed so many doubts about it, all of them did, that it made it almost impossible, certainly impractical, to prosecute under it. And yet they have not clearly decided the constitutional point."

I feel that this exchange was quite straightforward, and its meaning seems clear to me. And since the officially designated representative of the Justice Department had said that adoption of the provision in question would not help the Justice Department, and might well increase its difficulty under the law, the subcommittee recommended that this provision be stricken from the bill. This was in accord with my often-expressed desire to do nothing to complicate the tasks of any person or department by this bill. I might add that a stenographic copy of Mr. Olney's testimony was sent to the Department of Justice a day or two after he had appeared, for the Department's comments and consideration, and this was returned with the exchange I have quoted, left intact and not questioned.

On June 13, the Subcommittee on Privileges and Elections voted to report S. 636 favorably to its parent committee, with the suggestion that section 304 be stricken. The minority member voted against reporting the bill favorably. On June 15, the Committee on Rules and Administration voted 5 to 3 to report the bill favorably to the Senate, with the recommendation that it pass. The three dissenting votes were by the minority members present at the meeting. They asked for, and were given, time to file additional views in dissent. The minority filed their dissenting views a week later, on June 22.

In their report, the minority objected to S. 636 for four principal reasons. I shall discuss these in detail at a later date. For the moment I would like to mention their fourth objection. In substance, they said the bill did not include one provision which they believed essential, a provision completely outlawing political contributions by labor unions. They ignored the majority's statement that the section of the original bill that might have accomplished such an objective had been stricken because of the views expressed by the representative of the Justice Department. When I read this fourth objection, I was somewhat surprised, to say the least, for the Justice Department is staffed by members of their party, not mine. And I confess I was not too disturbed by this objection, for the Department of Justice was in our corner, on this subject at least. Or so I thought. But 2 days later a most curious thing occurred.

On June 24, Senator GREEN, distinguished chairman of the Committee on Rules and Administration, forwarded to me a letter he had received from Mr. Brownell. This most remarkable letter was dated June 23, one day after the minority had filed its report. It is so remarkable that I would like to read it in its entirety:

JUNE 23, 1955.

Hon. THEODORE FRANCIS GREEN,
Chairman, Committee on Rules and Administration, United States Senate, Washington, D. C.

DEAR SENATOR GREEN: We have reviewed the report of the Subcommittee on Privi-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 2, 1955
For actions of August 1, 1955
84th-1st, No. 131

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For Highlights see page 7.

HOUSE

1. CCC BORROWING POWER. Passed without amendment S. 2604, to increase the borrowing power of CCC from $10 billion to $12 billion (pp. 10960-1). This bill will now be sent to the President.

2. FARM CREDIT. Concurred in the Senate amendment to H. R. 5168, to provide for retirement of the Government capital in certain institutions operating under FCA supervision and to increase borrower participation in the management and control of the Federal Farm Credit System (p. 11016). This bill will now be sent to the President.

3. TOBACCO. Passed without amendment S. 2295, to provide that, in establishing farm acreage allotments for burley tobacco crops for 1956, 1957, and 1958, the acreage allotment for any farm which has not been retired from agricultural production shall not be reduced below the acreage allotment which would otherwise be established unless the acreage harvested was less than 50% of the allotted acreage in each of the preceding 5 years, in which event it shall not be reduced to less than the largest acreage harvested in any year in such 5-year period (p. 11024). This bill will now be sent to the President.

4. PERSONNEL. Agreed to H. Res. 305, to make available $75,000 to the Post Office and Civil Service Committee for investigations of personnel administration, etc. (p. 10955).

5. APPROPRIATIONS. Passed without amendment H. J. Res. 434, to continue at the existing rate legislative appropriations for the fiscal year 1956, in view of the conferees' disagreement regarding H. R. 7117, the regular legislative appropriation bill (pp. 11028-9).

6. PUBLIC LANDS; MINING. Agreed to the conference report on H. R. 100, to permit the mining, development, and utilization of the mineral resources of all public land withdrawn or reserved for power development (p. 10952). This bill will now be sent to the President.

Concurred in the Senate amendment to H. R. 6994, to provide for entry and location, on discovery of a valuable source material, upon public lands classified as or known to be valuable for coal (p. 10954). This bill will now be sent to the President.

7. INTERNATIONAL FINANCE CORPORATION. Passed without amendment S. 1894, to provide for U. S. participation in the International Finance Corporation (pp. 10962-5). This bill will now be sent to the President.

8. BANKING AND CURRENCY. Passed without amendment S. 1189, to permit national banks to make 20-year real estate loans and 9-month residential construction loans (pp. 10965-6). This bill will now be sent to the President.

Rep. Patman criticized administration of the Federal Reserve System and the office of the Comptroller of the Currency (pp. 11036-8).

9. WATER COMPACT. Passed without amendment S. 730, consenting to a compact between Kans. and Okla. regarding Ark. River waters (p. 11011). This bill will now be sent to the President.

10. RECLAMATION. Both Houses received a message from the President stating that he had approved H. R. 103, to provide for construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies, but objecting to various provisions of the bill and recommending legislation to change these provisions (H. Doc. 223); to Interior and Insular Affairs Committees (pp. 11028, 10833-4).

11. FLAMMABLE FABRICS. Rejected, 46-108, a resolution for consideration of H. R. 5222, amending the Flammable Fabrics Act to exempt scarves which do not present an unusual hazard (pp. 11028-33).

12. FARM PRICES. Rep. Abernethy deplored the reductions in farm prices (p. 10953).

13. FOOD ADDITIVES. Rep. O'Hara, Minn., explained the revised bills, H. R. 7605 and 7606, to provide for regulation of chemical food additives (p. 11023).

14. REORGANIZATION. Rep. Patman criticized the recommendations and procedures of the Hoover Commission (pp. 11038-9).

15. DAIRY INDUSTRY. Rep. Laird commended the progress in getting rid of the dairy surplus and indicated his belief that the dairy industry has a good future (pp. 11039-40).

16. CIVIC AUDITORIUM. The Speaker appointed members to the commission to plan a civic auditorium in D. C. (p. 11028).

stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of the committee, and approved by the Committee on House Administration.

The resolution was agreed to; and a motion to reconsider was laid on the table.

OUR CAPITOL

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (S. Con. Res. 20) authorizing the printing of additional copies of Senate Document No.13, 84th Congress, entitled "Our Capitol," and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 300,000 copies of Senate Document No. 13, 84th Congress, entitled "Our Capitol," of which 100,000 copies shall be for the use of the Senate and 200,000 copies for the use of the House of Representatives.

The concurrent resolution was agreed to; an a motion to reconsider was laid on the table.

REPORT OF CITIZENS' ADVISORY COMMITTEE ON FOOD AND DRUG ADMINISTRATION

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 307) authorizing the printing of the report of the Citizens' Advisory Committee on the Food and Drug Administration as a House document, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed as a House document the report to the Secretary of the Department of Health, Education, and Welfare by the Citizens' Advisory Committee on the Food and Drug Administration.

The resolution was agreed to, and a motion to reconsider was laid on the table.

MEMORIAL TO FRANKLIN DELANO ROOSEVELT

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a resolution (S. J. Res. 73) to establish a commission to formulate plans for a memorial to Franklin Delano Roosevelt, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution, as follows:

Whereas the American people feel a deep debt of gratitude to Franklin Delano Roosevelt for his leadership in America's struggle for peace, well-being, and human dignity: Therefore be it

Resolved, etc., That there is hereby established a commission, to be known as the Franklin Delano Roosevelt Memorial Commission (hereinafter referred to as the "Commission"), for the purpose of considering and formulating plans for the design, construction, and location of a permanent memorial to Franklin Delano Roosevelt in the city of Washington, D. C., or in its immediate environs. The Commission shall be composed of 12 Commissioners appointed as follows: 4 persons to be appointed by the President of the United States, 4 Senators by the President of the Senate, and 4 Members of the House of Representatives by the Speaker of the House of Representatives. The Commissioners shall serve without compensation, but may be reimbursed for expenses incurred by them in carrying out the duties of the Commission. The Commission shall report such plans, together with its recommendations, to the President and Congress at the earliest practicable date, and in the interim shall make annual reports of its progress to the President and Congress.

SEC. 2. The Commission is authorized to—

(a) make such expenditures for personal services and otherwise for the purpose of carrying out the provisions of this joint resolution as it may deem advisable from funds appropriated or received as gifts for such purpose;

(b) accept gifts to be used in carrying out the provisions of this joint resolution or to be used in connection with the construction or other expenses of such memorial;

(c) hold hearings, organize contests, enter into contracts for personal services and otherwise, and do such other things as may be necessary to carry out the provisions of this joint resolution; and

(d) avail itself of the assistance and advice of the Commission of Fine Arts, the National Capital Planning Commission, and the National Capital Regional Planning Council, and such Commissions and Council shall, upon request, render such assistance and advice.

SEC. 3. There is authorized to be appropriated not more than $10,000 to carry out the provisions of this joint resolution.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING TAX RELIEF TO CHARITABLE FOUNDATIONS

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7746) to provide tax relief to a charitable foundation and the contributors thereto.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Cannon Foundation which was created on November 17, 1950, by a trust instrument executed by Clarence Cannon and Ida W. Cannon, of Elsberry, Mo., the principal office of which is at Elsberry, Mo., and the management and property of which is vested in and under the direction and control of a board of trustees consisting of the mayor of said city, the superintendent of schools, and others, and the beneficiaries of which consist of five churches situated in said city, and other beneficiaries, shall be deemed to be an organization (a) exempt from tax under section 101 (6) of the Internal Revenue Code of 1939 and section 501 (c) (3) of the Internal Revenue Code of 1954, and (b) to which section 3813 (a) of the 1939 code and section 503 (b) of the Internal Revenue Code of 1954 is inapplicable.

SEC. 2. Contributions to the Cannon Foundation, referred to in section 1, shall be considered charitable contributions for purposes of section 23 (o) and (q) of the Internal Revenue Code of 1939 and section 170 of the Internal Revenue Code of 1954.

SEC. 3. Sections 1 and 2 shall be effective for the taxable years beginning after 1949.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TWO HUNDRED AND FIFTIETH ANNIVERSARY OF BIRTH OF BENJAMIN FRANKLIN

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate immediate consideration of the bill (S. 463) to authorize the issuance of commemorative medals to certain societies of which Benjamin Franklin was a member, founder, or sponsor in observance of the 250th anniversary of his birth.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN. Mr. Speaker, reserving the right to object, and I am not going to object, I simply want to call attention to the fact that this is a changing of policy which has existed for 20 years. In the past, it has been the policy that the Government will not go into the business of manufacturing medals. There are many private concerns engaged in this work and they are unable to meet Government competition. In view of the fact that such a bill was passed last week, I will not object to this bill. However, we should give consideration to how far we want the Government to continue in the medal business.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in commemoration of the 250th anniversary of the birth of Benjamin Franklin occurring on January 17, 1956, and in connection with the observance and celebration of that event, the Secretary of the Treasury is authorized and directed to have struck 71 bronze medals of an appropriate design and inscription and to provide for the presentation of 21 such medals to the following-named scientific, educational and welfare societies of which Benjamin Franklin was a member: the American Philosophical Society (Philadelphia), Philadelphia Society of the Sons of St. George, Accademia di Scienze, Lettre et Arti in Padors (formerly Reale Accademia) (Italy), L'Academie des Sciences, L'Institute de France (formerly Academie Royale), the Royal Society (England), Konigliche Gcselschaft der Wissenschafter, Gottingen (Germany), the Royal Society of Arts (England), Bataafsch Genootschap der Proefondervindelijke Wijsbegeerte (Netherlands), the Academie de Medicine (France), the Medical Society of London, the American Academy of Arts and Sciences (Boston), the Royal Society of Edinburgh, Real Academia de la Historia (Spain), Academie Nationale des Sciences, Belle-Lettres et Arts de Lyon

(France), Real Accademia delle Science di Torino (Italy), the Manchester Literary and Philosophical Society (England), the Societa Patrioca diretta all'avanzamento dell'Agricultura delle Arti e delle Manifatture, Milano (Italy), the Philadelphia Society for Promoting Agricuture, the Society of Antiquaries of London, the Societe d'Agricuture, Sciences, Belle Lettres et Arts, Orleans (formerly Societe Royale) France, and the Library Company of Philadelphia, and for the presentation of 50 medals in cooperation with the 250th anniversary committee of the Franklin Institute to other enterprises, institutions and societies founded or helped in their early devclopment by Benjamin Franklin.

SEC. 2. Such sums as may be necessary to carry out the purposes of this act are hereby authorized to be appropriated.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2604) to increase the borrowing power of Commodity Credit Corporation.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000."

SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000."

The SPEAKER. Is a second demanded?

Mr. WOLCOTT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. SPENCE. Mr. Speaker, this bill would extend the authority of the Commodity Credit Corporation and authorize an increase in its borrowing power of $2 billion. We all know that the Commodity Credit Corporation was organized to stabilize the agricultural industry. The support-price program upon which agriculture has depended for a long time would be discontinued unless we give the authority authorized in the bill to the Commodity Credit Corporation. Agriculture is our great basic industry. Not only the farmers will benefit from this, but the cities will benefit as well. If the farming industry is imperiled in any way, the disaster would not only affect them, but affect all of our people including the great centers of population which are the great markets for agricultural products.

I hope the bill will pass.

Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on this bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, it will be recalled that we in the Congress have authorized support programs for agricultural commodities. This bill is necessary to effectuate the congressional policy in that respect, which has been of long standing.

It is also expected that, although we have been called upon to continue this borrowing authority for some years, it soon will not be necessary. Last year, you will recall, we increased it from eight and one-half to ten billion, and we were given certain assurances that if the flexible program of the administration was put into operation, then probably there would be no neccssity for increasing the authorization further. We have the same reasonable assurance now that the flexible program will shortly be in effect and that there will be no necessity—and we hope this is correct—to continue the authorization beyond this $12 billion figure.

I now yield 5 minutes to the gentleman from Illinois [Mr. MCVEY].

(Mr. MCVEY asked and was given permission to revise and extend his remarks.)

Mr. MCVEY. Mr. Speaker, I do not frequently take the floor of this House, but we have a problem in connection with the Commodity Credit Corporation about which I should like to speak briefly.

In the hearing before the Committee on Banking and Currency a few days ago, the president of the Commodity Credit Corporation was asked this question by me, and I should like you to hear his answer:

The amount of loss and gains on certain crops.

He said, "On wheat the loss was $279 million. On corn, $221 million; on cotton there was a gain of $126 million. On tobacco a gain of $619,000. Peanuts, a loss of $118 million."

One year ago the president of the Commodity Credit Corporation appeared before our committee and asked for an increased authorization from $8½ billion to $10 billion. He said that money was necessary in order to carry out the acts of Congress in connection with the crop for that particular year.

Our committee agreed to this call for an authorization of $10 billion. This year the president of CCC has asked for an additional loan authority in the amount of $2 billion. That makes $12 billion altogether.

We have a problem here which I think the Congress in some way will have to find a solution for. We have storage wheat to the extent of 951 million bushels; corn, 576 million bushels. It is evident that the program we have followed in the past is not the solution to this problem because our surpluses and our losses grow larger and larger. Certain solutions have been presented to us. One was the disposition of our surplus crops on the world market. I do not think we understand just what would be the result of an operation of this kind, but I think the question is worth exploring. It seems to me that if we go on year after year piling up bushel after bushel of our crops we are going to get into a very difficult situation in this country. To be given authority to lend $12 billion is a very great authority and involves a large sum of money.

The 90-percent parity program is not the solution because most of these crops have been accumulated under the 90-percent parity formula. Whether flexible price will prove to be the solution only time can tell, but I want to impress upon the Members of the House that there is a very serious problem here, and it is our duty in some way to try to solve it.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. MCVEY. I yield.

Mr. MILLER of Nebraska. Would the same apply to the purchase of butter and dairy surpluses?

Mr. MCVEY. Yes.

Mr. MILLER of Nebraska. But I understand the dairy problem is or soon will be pretty well cleaned up, that they will soon have no surplus.

When they well thcse surpluses, does the money received go into the Treasury to reduce those loans or does it remain there in the eight and one-half, nine, or ten billion dollar amount allowed them for making loans on these crops?

Mr. MCVEY. I do not know that I can answer the question. I think the chairman or ranking minority member of the Banking and Currency Committee would have to do that.

Mr. MILLER of Nebraska. I understand there has been $1,200,000,000 of surplus agricultural products sold last year. Was that $1,200,000,000 reflected in the reduced amount that we will have to put into this program? Or does it go back into the Treasury?

Mr. MCVEY. I wish that gentleman would ask that question of the chairman or ranking minority member of our committee.

Mr. MILLER of Nebraska. These surplus commodities have been sold. As I understand there has been $1,200,000,000 of surplus agricultural commodities sold. I would like to find out whether this money goes back into the Treasury or whether it is reflected in reducing the $10 billion or $12 billion authority for loans. Is this a revolving fund or what is it?

Mr. MCVEY. I cannot answer the gentleman's question with certainty. As I recall the law provides that there shall be outstanding no more than a certain amount of loans at any one time.

Mr. MILLER of Nebraska. Then why should we increase from $8.5 million to $10 billion the amount of the borrowing power of the Commodity Credit Corporation if we have sold around $2 billion of surplus products? Instead of increasing the borrowing authority why should not this return from the sale of surplus agricultural commodities be reflected in a lessened demand for authority?

Mr. MCVEY. I understand it is.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from Connecticut [Mr. MORANO].

Mr. MORANO. Mr. Speaker, I ask unanimous consent to extend my remarks immediately following the action on the bill presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, I wish to ask the ranking minority Member what was the loss on dairy products during the past year. Can the gentleman give me those figures?

Mr. WOLCOTT. I do not have them before me. I believe the chairman has.

Mr. GAVIN. Can the chairman tell us approximately what was the loss on dairy products which were sold during the past year?

Mr. SPENCE. We will endeavor to find it for the gentleman.

Mr. WOLCOTT. The same gentleman who had the breakdown on profits on cotton is going to be able to give the gentleman an answer to that.

Mr. SPENCE. It is being looked up right now.

Mr. GAVIN. While you are looking up the matter of loss on dairy products I might say I agree with my friend, the gentleman from Nebraska, that if $1,200,000,000 worth of surplus products were sold this year, why if this money is returned to the Corporation, is it necessary to increase the borrowing capacity by $2 billion? Why could not that money be used rather than this request for an additional $2 billion at this time? It would also be practicable if the committee would develop a plan whereby they would bring in companion tax bills to pay for the losses sustained in sale of these agricultural products. In the highway legislation presented the other day everybody was concerned that the legislation should be on a pay-as-you-go basis. One way to stop these agricultural losses is to bring in a companion tax bill when the legislation is presented to tax the people to pay for the losses sustained. No one would be voting for this $2 billion increase that we are passing here in a few minutes debate today, if there was also a $2 billion tax bill to pay for the losses.

May I ask the chairman of the Committee on Banking and Currency whether his committee has ever considered bringing in companion tax bills on matters of this kind?

Mr. SPENCE. We have no jurisdiction over tax matters.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. MULTER].

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Speaker, I am not opposing the passage of this bill because of the representations made to us by the Department of Agriculture that without this additional authority the price-support program will collapse.

I do not intend to permit the Republican administration to say that this Democratic Congress was responsible for any such happening.

I must, however, take this time to sound this warning.

In my opinion, the Department of Agriculture, under Secretary Benson, is doing its very best to destroy the price-support program, and this is another step in that direction.

Secretary Benson's representatives in charge of the Commodity Credit Corporation's program told our committee that the Corporation now has a deficit in excess of $2 billion.

Under existing law, capital deplctions can be made up by new appropriations, providing the Department makes out a case therefor before the Appropriations Committee.

The distinguished chairman of the Appropriations Subcommittee on Agriculture, Mr. WHITTEN, attended before our committee during the course of the hearings on this bill and told us that the Department made no request for additional funds to make up any part of this loss and made no attempt to justify any part of the capital impairment of the authorization.

During all of the years that a Democratic administration was in charge of this program, the maximum authorization was $6,750,000,000. During the 20 years of Democratic administration the total loss to the program was slightly in excess of $1 billion.

In one-tenth of that time, during the first 2 years of the Eisenhower administration, the losses are almost one and a half billion dollars.

This is indeed a program that only a Republican administration can boast about.

I am pleased to call our colleagues' attention to the following article, written by our distinguished colleague from Minnesota, the Honorable FRED MARSHALL, a real dirt farmer. The figures he sets forth in his article were obtained from Secretary Benson's own department and show the mismanagement of this program by the Republicans. The article appears in the August 1955 edition of the Democratic Digest.

BENSON SETS A RECORD—GOP "TWENTY-TUPLES" FARM PRICE-SUPPORT LOSSES

(By Representative FRED MARSHALL)

Sometimes figures speak for themselves, so I asked the Department of Agriculture for the official figures on net losses from the price-support program since its beginning in 1933 up through the past 2 years of Republican management of the program.

They showed just the opposite of what Secretary Ezra Benson and the President have been saying about the costs of the program. They show that net losses under the price-support program during the 20 years of Democratic administrations amounted to a little more than $1 billion, while losses during the first 2 years of the Eisenhower administration will amount to well over $1.4 billion. Losses during the Republican year of 1954, alone, will amount to more than half of the total losses for 20 Democratic years, and losses this year are officially estimated to be even larger.

Here are cost figures which President Eisenhower's Secretary of Agriculture supplied me officially, covering the 20 Democratic years ending June 30, 1953, and for the first two Republican years ending June 30, 1954, and June 30, 1955 (the 1955 figures are official estimates):

The basic commodities (corn, cotton, wheat, peanuts, rice, and tobacco):

20 years	$20,720,931
1954	177,385,988
1955	225,578,209

Dairy products (dried milk, fluid milk, cheese, and butter):

20 years	$136,524,896
1954	130,713,531
1955	342,549,370

Feed grains (barley, oats, and rye):

20 years	$11,600,481
1954	6,302,088
1955	36,275,000

Total price support programs:

20 Democrat years	$1,049,994,726
2 GOP years	1,448,405,610

These clearly disprove the Republican charge that the Democratic farm program was excessively costly, but they also show serious evidence of bad management by the present administration. For instance, costs have been run up by shelving the farmer-elected committees which formerly did so much of the field work on these programs, but which have been replaced by new Federal employees. Several other changes by the administration have increased the cost of storage involved in the price-support program. Here is the Department's official estimate of the average cost of storing a bushel of grain in one of its facilities for each of the past 4 years:

	Cents per bushel
1951	6.6
1952	5.7
1953	6.0
1954	11.3

The contrast between the Democratic and Republican record is bad news for the taxpayers these days.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

THE GENEVA CONFERENCE

Mr. MORANO. Mr. Speaker, all America is pleased at the heartwarming bipartisanship which characterized our participation in the summit conference at Geneva. From the very beginning, to the dramatic ending, all political factions worked and prayed with President Eisenhower on this diplomatic expedition into a friendly world.

The great acclamation accorded President Eisenhower's outstanding diplomacy, however, sounded a thunderous discord in the ears of one organization, the ADA.

This organization, through it Chairman, Joseph L. Rauh, Jr., damned the Eisenhower accomplishments with faint praise, then viciously unleased one of the most blistering attacks ever directed at the President of our Nation.

The conglomeration of cutting cliches ranged from charges of corruption to accusing the President of wearing a suntan.

We are all aware that this recklessly radical organization which has lobbied vehemently for repeal of the Smith Act. The act which provides for prosecution of those who would overthrow our Government by force or violence—does not represent nor speak for the great Democratic Party. Many Members of the Congress who are responsible and respected Democrats have repudiated this "Americans for damning Americans" organization in no uncertain terms. They, too, have been damned by Mr. Rauh.

However, their bipartisan efforts directed toward strengthening our Nation and discovering a solution to the difficulties of international relations will live long in history after Mr. Rauh's rantings are properly forgotten.

INTERNATIONAL FINANCE CORPORATION

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1894) to provide for the participation of the United States in the International Finance Corporation.

The Clerk read as follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "International Finance Corporation Act."

ACCEPTANCE OF MEMBERSHIP

SEC. 2. The President is hereby authorized to accept membership for the United States in the International Finance Corporation (hereinafter referred to as the "Corporation"), provided for by the Articles of Agreement of the Corporation deposited in the archives of the International Bank for Reconstruction and Development.

GOVERNOR, EXECUTIVE DIRECTOR, AND ALTERNATES

SEC. 3. The governor and executive director of the International Bank for Reconstruction and Development, and the alternate for each of them, appointed under section 3 of the Bretton Woods Agreements Act, as amended (22 U. S. C. 286a), shall serve as governor, director, and alternates, respectively, of the Corporation.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS

SEC. 4. The provisions of section 4 of the Bretton Woods Agreements Act, as amended (22 U. S. C. 286b), shall apply with respect to the Corporation to the same extent as with respect to the International Bank for Reconstruction and Development. Reports with respect to the Corporation under paragraphs 5 and 6 of subsection (b) of section 4 of said act, as amended, shall be included in the first report made thereunder after the establishment of the Corporation and in each succeeding report.

CERTAIN ACTS NOT TO BE TAKEN WITHOUT AUTHORIZATION

SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States (a) subscribe to additional shares of stock under article II, section 3, of the Articles of Agreement of the Corporation; (b) accept any amendment under article VII of the Articles of Agreement of the Corporation; (c) make any loan to the Corporation. Unless Congress by law authorizes such action, no governor or alternate representing the United States shall vote for an increase of capital stock of the Corporation under article II, section 2 (c) (ii), of the Articles of Agreement of the Corporation.

DEPOSITORIES

SEC. 6. Any Federal Reserve bank which is requested to do so by the Corporation shall act as its depository or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

PAYMENT OF SUBSCRIPTIONS

SEC. 7. (a) The Secretary of the Treasury is authorized to pay the subscription of the United States to the Corporation and for this purpose is authorized to use as a public-debt transaction not to exceed $35,168,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose. Payment under this subsection of the subscription of the United States to the Corporation and any repayment thereof shall be treated as public-debt transactions of the United States.

(b) Any payment of dividends made to the United States by the Corporation shall be covered into the Treasury as a miscellaneous receipt.

JURISDICTION AND VENUE OF ACTIONS

SEC. 8. For the purpose of any action which may be brought within the United States or its Territories or possessions by or against the Corporation in accordance with the Articles of Agreement of the Corporation, the Corporation shall be deemed to be an inhabitant of the Federal judicial district in which its principal office in the United States is located, and any such action at law or in equity to which the Corporation shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of any such action. When the Corporation is a defendant in any such action, it may, at any time before the trial thereof, remove such action from a State court into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

STATUS, IMMUNITIES AND PRIVILEGES

SEC. 9. The provisions of article V, section 5 (d), and article VI, sections 2 to 9, both inclusive, of the Articles of Agreement of the Corporation shall have full force and effect in the United States and its Territories and possessions upon acceptance of membership by the United States in, and the establishment of, the Corporation.

The SPEAKER. Is a second demanded?

Mr. WOLCOTT. Mr. Speaker, I demand a second.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, the International Finance Corporation is an affiliate of the International Bank for Reconstruction and Development. It is provided that the nations who are now members of the International Bank for Reconstruction and Development may subscribe to stock in the International Finance Corporation in the same proportion as they subscribed to stock in the International Bank for Reconstruction and Development.

The purpose of the bill is to have the nations jointly participate with private capital to make loans to develop undeveloped areas in order that they might be self-supporting. It is essential to the welfare of our country as it is to the world that the undeveloped areas be taught how to produce and that their people have higher standards of living. This bill would encourage private capital to engage in this undertaking. It would be risk capital. None of these loans would be guaranteed by the Government. It certainly is a very much better method than donations to these people.

Mr. Speaker, I might say that it carries out the purposes of point 4 of former President Truman. He had the same objectives. He may have approached it in a little different manner, but the ultimate purpose of this act is to carry out the purposes which he had in mind and the objectives which he desired to achieve.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Iowa.

Mr. GROSS. I thought we already had 4 or 5 technical-assistance programs in operation.

Mr. SPENCE. I think this is one program where technical assistance and where the know-how might be very essential and might produce very fine results. The world is growing smaller. There is an expanding world economy, and we are affected by the conditions of other nations however remote they might be. A spark could fall on a distant land through poverty and the despair of the people, and it ignites the world. We think this is the way to meet a condition by the investment of risk capital. It may result to the benefit of our people. It may cause our Government little expense. It may produce results which we have been trying to accomplish by donations of money without any hope of a return.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from West Virginia.

Mr. BAILEY. Did I understand the gentleman from Kentucky to say that the United States Government is not underwriting any of these private loans?

Mr. SPENCE. I did not say the United States Government was not underwriting them, but private capital takes a risk when it participates in these loans. And, why should we not allow the private capital of America which is investing for profit, to help us in this undertaking? We only have a third interest in this enterprise. The capital will be $100 million, and we only subscribe to a little over $34 million. So, the other nations are engaged in it. It is a joint undertaking in which we will all have a common interest to achieve a purpose which is essential for all of us.

Mr. BAILEY. Is this a separate set-up from the International Bank, or is it part of the International Bank?

Mr. SPENCE. It is an affiliate of the International Bank. It is greatly desired by the administration.

Mr. WOLCOTT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, on May 2, 1955, the President sent a message to the Congress transmitting the proposed articles of agreement of the International Finance Corporation and asked for the consid-

Public Law 344 - 84th Congress
Chapter 782 - 1st Session
S. 2604

AN ACT

All 69 Stat. 634.

To increase the borrowing power of Commodity Credit Corporation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000". 15 USC 713a-4.

SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000". 15 USC 714b (i).

Approved August 11, 1955.

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